
Equiti AM CJSC

Treating Customers Fairly Policy

August 2021

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Document History:

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Change Mechanism

- Any requirement for change must be addressed to the authors.
- For documents with draft status, the authors may make changes at will.
- For documents with controlled status, changes must be approved by the Head of Department Owner.
- Any question, remarks or suggestions related to the present document should be addressed to Compliance team at the following email address: tigran.yerosyan@equiti.com

Table of Contents

EQUITI AM CJSC'S MISSION STATEMENT	4
PURPOSE	4
TCF BASIC PRINCIPLES	5
PROCESSES AND PROCEDURES	6
CORPORATE CULTURE	6
PRODUCT DESIGN	6
RECRUITMENT, TRAINING AND COMPETENCE	7
REMUNERATION	7
CLIENT SERVICE	7
FINANCIAL PROMOTIONS	7
COMPLAINTS	8
CONFLICTS OF INTEREST	9
RECORD KEEPING	9
ANNEX 1 - WHAT TO DO IF YOU HAVE A COMPLAINT?	10
ANNEX 2 – COMPLAINT FORM	12



EQUITI AM CJSC'S MISSION STATEMENT

The Senior Management of Equiti AM CJSC ('Equiti AM' or 'the Firm') are committed to ensuring that Treating Customers Fairly ('TCF') is a central focus of the Firm and is part of the Firm's culture, in turn applying the principle to all areas of day-to-day business activities. The TCF values of the Firm are set by Senior Management and supported and understood by all employees.

Equiti AM recognises that, in ensuring the fair treatment of customers, all employees must place the interests of customers at the heart of their work, demonstrating integrity whilst conducting the client relationship in a professional manner. Such treatment should span from Client Take on through post-sale by offering an efficient and transparent service.

PURPOSE

The purpose of this policy is to provide guidance on Equiti AM's TCF rules and ensure that the Firm consistently delivers fair outcomes to our clients and provide quality service.

TCF BASIC PRINCIPLES

The regulator expects that customers' interests are at the heart of how firms do business and set out respective legal arrangements to duly protect customers' rights and legal interests. When dealing with consumers of financial services, Equiti AM's senior management and staff shall be obliged to act in good faith exclusively in the interest of firm and its customers. To this end, the firm must pay due regard to the interests of its customers and treat them fairly.

The TCF initiative is a key part of the move to principles-based regulation and aims to ensure that complaints are handled fairly and within reasonable timescale.

The basic principles of firm in respect of TCF are:

1. Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture;
2. Products and services both marketed and sold in the market are designed to meet the needs of an identified consumer (or groups) and are targeted accordingly;
3. Consumers are provided with clear information and are kept appropriately informed before, during, and after the point of sale;
4. Where consumers receive advice, the advice is suitable and takes account of their circumstances;
5. Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and as they have been led to expect; and
6. Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

Equiti AM considers TCF in every aspect of the Firm's business including staff training, marketing, meeting customer expectations, complaints handling and conflicts of interest.

Equiti AM sets TCF as central to the Firm's culture and having effective management information tools as the key to delivering fairness to customers. Equiti AM has an effective TCF policy which is committed to ensuring:

- Recruitment and remuneration enforce the TCF message;
- Measurement of appropriate performance and service standards throughout the firm;
- Investor and customer communications are clear and not misleading; and
- Complaints are properly and fairly handled.

PROCESSES AND PROCEDURES

Equiti AM has robust systems and controls in place to ensure that the fair treatment of clients is central to our corporate culture.

Senior Management must ensure that all personnel within Equiti AM are aware of the Firm's TCF initiative and systems that the firm has put in place to support the initiative.

In complying with the objective of the TCF-related rules, the Firm has focused on the following TCF criteria and have ensured that all these areas have been covered in order to comply with the regulatory requirements with regard to the TCF.

The Firm has focused on the following areas:

CORPORATE CULTURE

The Senior Management of Equiti AM is responsible for setting the firm's TCF vision, ensuring that TCF is embedded into the firm's operating model and culture, and ensuring that the firm delivers fair outcomes to customers.

Senior Management must ensure that a TCF culture is implemented and fully embedded throughout the firm.

The provision of relevant and comprehensive management information is central to a firm's TCF arrangements. For Equiti AM, this information is central to the Firm's business model, enabling us to assess the firm's performance against TCF Principles.

The senior management are actively involved in the day-to-day business of Equiti AM and in the management of client relationships. They regularly review management information to ensure that business decisions are in the best interest of our clients.

This level of involvement means that the senior management of the firm are constantly kept apprised regarding all active and upcoming assignments and of any issues or concerns that may arise.

PRODUCT DESIGN

Equiti AM ensures that it remains mindful of our customer base and our customer's appetite for risk when designing products. Product design is largely driven by customers' needs and objectives, the Firm remains aware of our customers' risk profiles, investment objectives and financial situation to ensure that products remain relevant and appropriate.

The Firm has implemented a product approval process to ensure that all new products are subject to scrutiny from both a Compliance and TCF perspective.

The product approval process ensures consideration of both product promotion and distribution. Equiti AM ensures that each product's identified customers are targeted accordingly. For more complex products, distribution is restricted where it is considered that consumers are likely to need advice to understand the product in sufficient detail.

Equiti AM acts to review products on a post-sale basis to ensure that they continue to deliver fair outcomes to customers on an ongoing basis. The Firm monitors products to ensure that they are continuously meeting the needs of customers. Post-sale findings will form part of the Firm's Management Information.

RECRUITMENT, TRAINING AND COMPETENCE

All new staff undergo induction training whereby they are familiarised with the Principles of TCF of Equiti AM. The firm ensures that all staff are competent to perform their role by requiring the completion of role specific initial training (i.e., CCL's online TCF training) as well as ensuring that all staff achieve the necessary qualifications (i.e., Completing a test/exam at the end of the TCF course).

Annual training is provided to all employees of the firm, irrespective of their position within Equiti AM. Training is to act as a refresher, reminding individuals of the principles of TCF and how they are engrained into the firm's culture.

To ensure that customers receive good customer service employees must sustain competence, therefore TCF is incorporated into Personal Development. On that basis, competence of staff is regularly monitored and, where necessary, relevant training is provided to all staff on all matters directly affecting the quality of products or services offered to customers (e.g., Data Protection).

REMUNERATION

Equiti AM operates a strict remuneration model that aims to encourage strong performance of staff without negatively impacting the treatment of its clients. Performance of all staff is measured and managed to promote TCF, where the focus is on satisfying the customers' needs and requirements in a way that is suitable and fair, rather than only offering rewards to staff based upon sales volumes and encouraging behaviours that would compromise TCF.

The Senior Management of the Firm receive regular Management Information in respect of the Firm's performance measurement and standards and the remuneration of staff.

CLIENT SERVICE

Equiti AM is dedicated to ensuring that all products and services offered to clients are appropriate in light of the client's circumstances.

At the Client take on stage, all customers are categorised to ensure that the Firm affords them with the correct level of protection. Where the client may be deemed unsuitable for the products Equiti AM offers, the client will be notified of our decision to not onboard them for that reason.

Staff are encouraged to make suggestions where they see room to improve upon the services and products where it would be in the interests of customers and to ensure the continued maintenance of TCF.

FINANCIAL PROMOTIONS

Equiti AM ensures that all marketing material issued and communication with clients is fair, clear and not misleading so that the customer can readily understand the products and services offered.

Equiti AM also ensures that the promotional material is balanced and contains clear risk warnings along with explanations of product complexities.

The compliance department reviews and approves all Financial Promotions issued by the Firm to ensure that all communications comply with the Law on "Securities Market" of the Republic of Armenia and other applicable regulations.

COMPLAINTS

Equiti AM considers a prompt and fair complaints handling procedure as central to ensuring the fair treatment of customers.

Equiti AM acknowledges that information on how well the Firm does concerning TCF can be gleaned from customer complaints. Hence, the Firm uses complaint information as a monitoring tool to ensure that quality of advice is consistent, that employees are acting in a timely manner, that customers are being provided with appropriate information to make informed decisions and to identify staff training requirements.

The Firm's complaints submitting and handling procedure is defined in accordance with the rules outlined by the CBA in the Regulation 8/04 on "Minimum conditions and principles for internal rules, regulating the procedure of examination of complaints/claims of customer".

Equiti AM makes clear to staff what is and what is not a complaint/claim and how they can be identified. All staff undergo training on complaints handling to ensure the TCF culture is prevalent throughout the Firm in all aspects.

Compliant/claim: a written complaint-claim submitted by the Customer to the Firm which is related to the services provided by the Firm and includes a property claim. The complaint -claim shall at least include the customer's name, surname, contacts (place of residence, email and telephone number), signature as well as a description of the complaint.

The Customer may file complaints to the Firm through:

- a) Email (Compliance@equiti.am);
- b) Sending the complaint to the Firm's postal address;
- c) Personally, at the office (26/1 V. Sargsyan str. Erebuni Plaza Business Center, Unit #609 Yerevan, 0010, Republic of Armenia); or
- d) Financial System Mediator.

Any employee of the company who has received a client's complaint or to whom the client has announced the desire to file a complaint guides the client to the responsible officer as well as provides data on communication means with the responsible officer (telephone number, e-mail etc.).

After receiving a complaint, customer receives a notice (receipt) certifying the fact of receipt of the complaint, which includes the complaint filing date, the complaint identification number (note).

Customer, who intends to submit a complaint is provided with an important notice on "**What to do if you have a complaint?**" and "**The complaint application form**" according to [Annex 1](#) and [Annex 2](#).

The Firm is obliged to investigate and resolve complaints within 10 (ten) business days upon receipt of the complaints.

Complaints are fully investigated, and transparent responses will be issued to all complainants outlining whether their complaint will be upheld or rejected.

As a result of investigation of complaints, the Firm made the following decision:

- a) Fully or partially uphold the complaint
- b) Reject the complaint.

The final response of Firm to the customer's complaint leastwise includes the following:

- a) The Firm's clear position - reject, partially uphold or fully uphold the complaint.
- b) The justification for the Firm's decision.
- c) Data on the unit (or officer) responsible for complaint review and contacts (telephone, e-mail etc.).
- d) Informing that in case of questions about the outcome, the customer may apply to the unit (officer) responsible for dealing with the complaint.
- e) Informing that if a customer is unhappy or dissatisfied with the outputs, the customer may apply to court or to the Financial System Mediator or to the Central Bank or to the arbitral tribunal in case of an arbitration agreement to protect his/her rights.
- f) Providing information on the term during which the customer has the right to apply to the Financial System Mediator in case he is unhappy or dissatisfied with the outcomes in relation to his complaint or dispute

All complaints received are recorded and monitored by the Firm's compliance department and will feature as an agenda point for Management Meetings.

CONFLICTS OF INTEREST

The management of conflicts of interest is an important control in relation to TCF. Equiti AM has implemented a Conflicts of Interest Policy. The policy sets out the controls and procedures in place to ensure that we are taking reasonable steps to identify and manage any conflicts arising between Equiti AM, its employees and the clients as well as conflicts that arise between clients.

RECORD KEEPING

This policy will be reviewed on an annual basis by the Compliance department. Please contact the Compliance department for any additional questions regarding TCF.

ANNEX 1 - WHAT TO DO IF YOU HAVE A COMPLAINT?

1. GET ACQUAINTED WITH YOUR RIGHTS	<p>Each employee of the Firm shall:</p> <ul style="list-style-type: none"> • Guide you to the employee responsible for complaints. • Provide data necessary for communication (telephone number, Email). 	<p>The responsible officer shall:</p> <ul style="list-style-type: none"> • Inform about your rights and complaint examination process. • Provide the appropriate rules and the Application form of the Firm.
2. APPLY	<p><i>Name of the Firm</i></p> <p>Submit the written complaint to the responsible officer or send it to the following addresses:</p> <p>-----</p> <p>-----</p> <p>You may also submit your complaint through Financial System Mediator.</p>	<ul style="list-style-type: none"> • Write your details for a response. • Always take the receipt and keep it until the final resolution of the issue.
3. GET ACQUAINTED WITH THE RESPONSE	<p>The Firm makes a decision on the complaint (uphold, partially uphold, reject) within 10 business days.</p>	<p>In case of questions contact the responsible person</p>
4 APPLY	<p>TO THE FINANCIAL SYSTEM MEDIATOR if:</p> <ul style="list-style-type: none"> • you are a physical person, micro-enterprise or legal entity including guarantor, pledger or other person has a claim for collateral (for example: collateral), • the complaint relates to the provided service and you have a monetary claim (up to AMD 10 million) or the complaint relates to the information in the loan, • you haven't received a response in 10 business days or you are not satisfied with the response, • the complaint is not examined in the court or arbitral tribunal, • 6 months have not passed after the response, • The appealed action or omission has taken place after 2 August 2008. <p>THE SERVICES ARE FREE OF CHARGE (7th Floor, 15 Movses Khorenatsi Street, Yerevan 0010, Republic of Armenia +374 60 70-11-11, info@fsm.am)</p>	<p>TO THE ARBITRAL TRIBUNAL</p> <ul style="list-style-type: none"> • If an arbitration contract has been signed between you and the Firm then disputes between you shall be settled by the arbitral tribunal. • You have the right to refuse from the arbitration agreement during contract conclusion, the Firm shall provide services to You. • Remember, even if there is an arbitration agreement you can apply to the Financial System Mediator before the complaint examination in the tribunal. • The Mediator shall not have the right to accept the complaint if it already being examined in the tribunal.
	<p>TO THE CENTRAL BANK:</p> <ul style="list-style-type: none"> • You can also apply to the Central Bank and you will get a response in 15 business days. (6 V. Sargsyan, 	<p>TO COURT:</p> <ul style="list-style-type: none"> • You can always apply to the court. The court decision is not subject to review by the Financial System Mediator.

	<p>Yerevan 0010, +374 10 592 697, consumerinfo@cba.am</p> <ul style="list-style-type: none">• If your complaint is within the jurisdiction of other institutions the Central Bank will direct your question to their domain.• The Central Bank recommends you to firstly apply to the financial organization (step 2).	
Apply in case of questions		
..... (Firm name, address, telephone number and e-mail		

ANNEX 2 – COMPLAINT FORM

COMPLAINT APPLICATION

I /Customer name, surname, passport details, place of residence/ hereby file a complaint against “Equiti AM” CJSC.

NATURE OF THE COMPLAINT

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Date of filing the complaint: _____
(day/month/year)

Customer _____
(signature) (name, surname)

Complaint accepted _____
(day/month/year)

Complaint accepted by _____
(signature) (name, surname)